

Individual Development Account (IDA)

An IDA is a matched savings account program that provides one dollar for every one dollar a client saves. The IDA program promotes self-sufficiency and positive savings habits by rewarding clients for saving money. Studies show that while there may be discrepancies among income distribution, anyone, no matter what their income, can save.



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What is an IDA?

An Individual Development Account (IDA) is a match saving account program that provides one dollar for every one dollar a client saves. The IDA program promotes self-sufficiency and positive savings habits by rewarding clients for saving money. The savings and match dollars can be used for down payment assistance for first time home buyers, to start or expand a small business, or for post secondary education.

Who can apply for an IDA?

Applicant must be 18 years of age or above, have at least one dependant in the home, and be a resident of Mahoning County. The applicant must be employed and have an annual household income at or below 150% of the federal poverty level (see chart below). The applicant must not have assets valued at or above \$10,000 (excluding primary residence and one automobile). Household income and assets must be verified before a applicant can enter the program.

2006 Federal Poverty Guidelines (FPG)			
Household #	100% FPG	150% FPG	200% FPG
1	9,800	14,700	19,600
2	13,200	19,800	26,400
3	16,600	24,900	33,200
4	20,000	30,000	40,000
5	23,400	35,100	46,800
6	26,800	40,200	53,600
7	30,200	45,300	60,400
8	33,600	50,400	67,200
Each addtl	3,400	5,100	6,800

Do I need training to receive an IDA?

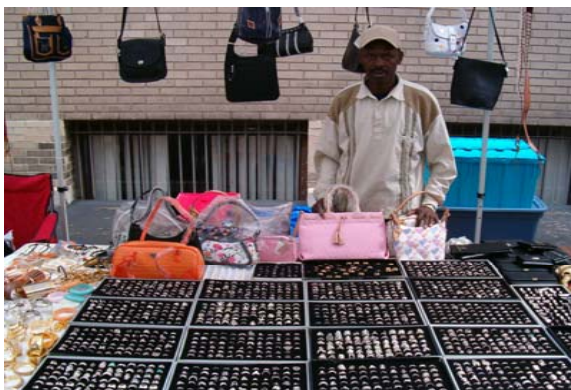
Yes. Clients applying for any ECDI service must take 10 hours of Financial Literacy that reviews the basics of savings, budgeting, credit and personal finances. Clients interested in using IDA funds for business must also take 25 hours of Microenterprise training. ECDI also provides 18 months of consulting services to clients upon the completion of the Microenterprise training.

When and how can I open up an IDA?

After completion of training, ECDI opens up the client's custodial savings account. Clients save \$1,000 over a specified period. Clients must deposit at least \$20 each month in order to stay eligible for the program. Clients cannot withdraw funds from the IDA without authorization from ECDI. Clients are only authorized to make deposits.

What is the matching process for business?

A Client must provide a complete business plan, proof of business existence such as lease agreement, vendor license, name registration and business tax return. Client must provide a purchase order (invoice) for their business and can use their matched money at one time or several times from one vendor or several vendors.



Home Ownership Training and Down Payment Assistance

After being qualified for the program, each prospective homebuyer will be enrolled in a comprehensive set of programs designed to prepare them for homeownership. Homebuyers are enrolled in financial literacy training, homebuyer education workshops (which include pre-qualification for a mortgage), and receive individual counseling. After the training, clients open an individual development account (IDA), where they save for their down payment and then receive matching funds.

When do I receive my match money for Down Payment Assistance?

After saving \$1,000 over a specified period a client receives IDA matching funds at the time of closing for their home.

IDA for Post Secondary Education

Qualified applicants receive 10 hours of financial literacy training and must develop an individual education plan. After the training clients open up an Individual Development Account (IDA).

When do I receive my match money for Post Secondary Education?

After saving \$1,000 over a specified period a client must provide a receipt for tuition in order to receive their matching funds.